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BEFORE THE ARIZONA COMMISSION

COMMISSIONERS

2007 JUL 13 A 8: 43

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES

AZ CORP COMMISSION DOCKET CONTROL

5 GARY PIERCE

HP INVESTMENT CORPORATION,

COMPLAINANT,

VS.

APPALOOSA WATER COMPANY,

RESPONDENT.

DOCKET NO. W-03443A-06-0713

Arizona Corporation Commission

DOCKETED

JUL 13 2007

DOCKETED BY

PROCEDURAL ORDER

MR

BY THE COMMISSION:

On November 7, 2006, HP Investment Corporation ("HP" or "Complainant") filed with the Arizona Corporation Commission ("Commission") a Complaint ("Complaint") against Appaloosa Water Company ("Appaloosa" or "Respondent") for failure to comply with Commission Rules and Regulations.

On December 4, 2006, Appaloosa filed an Answer to the Complaint, Affirmative Defenses and Motion to Dismiss Complaint. In its Motion to Dismiss, Appaloosa requests that the Commission dismiss HP's Complaint because the issue of whether HP can be granted a Certificate of Assured Water Supply falls under the jurisdiction of the Arizona Department of Water Resources and not the Commission.

On December 11, 2006, HP filed its Response to Appaloosa's Motion to Dismiss.

On December 20, 2006, Appaloosa filed its Reply to Motion to Dismiss.

On December 26, 2006, by Procedural Order, a procedural conference was scheduled to commence on January 24, 2007.

On January 24, 2007, a procedural conference was held, and based on discussions during the conference, further deadlines needed to be set.

By Procedural Order, on February 8, 2007, the parties and Staff were directed to submit a

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joint proposed schedule on or before February 26, 2007.

On February 23, 2007, HP and Appaloosa filed a Joint Proposed Procedural Schedule and stated among other things that, Staff had no objection to the procedural schedule.

On February 26, 2007, Staff filed a Response to the Joint Proposed Schedule indicating Staff has no objections to the proposed schedule and stated Staff has no position on the merits of the Complaint and unless directed will not be making any further appearances in this matter.

On March 9, 2007, by Procedural Order the pre-hearing conference in this matter was scheduled to commence on April 3, 2007, and the evidentiary hearing was scheduled for April 17, 2007.

On March 30, 2007, HP and Appaloosa filed a Joint Motion to Extend Deadline for Discovery and the Filing of Direct Testimony and Staff Report.

On April 3, 2007, a pre-hearing conference was held. At the pre-hearing conference, the parties stated that they believed they had reached a settlement on the issues in this matter and requested that the hearing be continued for 60 days.

By Procedural Order, on April 5, 2007, the matter was scheduled to reconvene on June 4, 2007.

On June 4, 2007, the hearing was reconvened and the parties stated that had reached an agreement on the main extension agreement.

IT IS THEREFORE ORDERED that HP and Appaloosa shall file with Docket Control a copy of the fully executed main extension agreement, and Notice that the main extension agreement has been submitted to Staff for its review and approval, on or before August 30, 2007.

IT IS FURTHER ORDERED that following Staff's approval of HP's and Appaloosa's main extension agreement, HP and Appaloosa shall file with Docket Control documentation requesting that the Complaint in this matter be dismissed, within 30 days of such event.

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IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized 1 Communications) continues to apply to this proceeding. 2 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive 3 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing. 4 DATED this 13 day of July 2007. 5 6 7 8 ADMINISTRATIVE LAW JUDGE 9 10 Copies of the foregoing mailed/delivered this 13rd day of July 2007 to: 11 Douglas C. Nelson 12 LAW OFFICE OF DOUGLAS C. NELSON, P.C. 7000 North 16th Street, Suite 120-307 13 Phoenix, Arizona 85020 14 Michael J. Pearce Patrick Black 15 FENNEMORE CRAIG 3003 North Central Avenue, Suite 2600 16 Phoenix, AZ 85012-2913 17 Christopher Kempley, Chief Counsel 18 Legal Division ARIZONA CORPORATION COMMISSION 19 1200 West Washington Street Phoenix, AZ 85007 20 Ernest G. Johnson, Director 21 **Utilities Division** ARIZONA CORPORATION COMMISSION 22 1200 West Washington Street Phoenix, AZ 85007 23 ARIZONA REPORTING SERVICE, INC. 24 2200 North Third Street, Suite 502 Phoenix, AZ 85004-1481 25 26 By: 27 Secretary to Y/vette B. Kinsey

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